

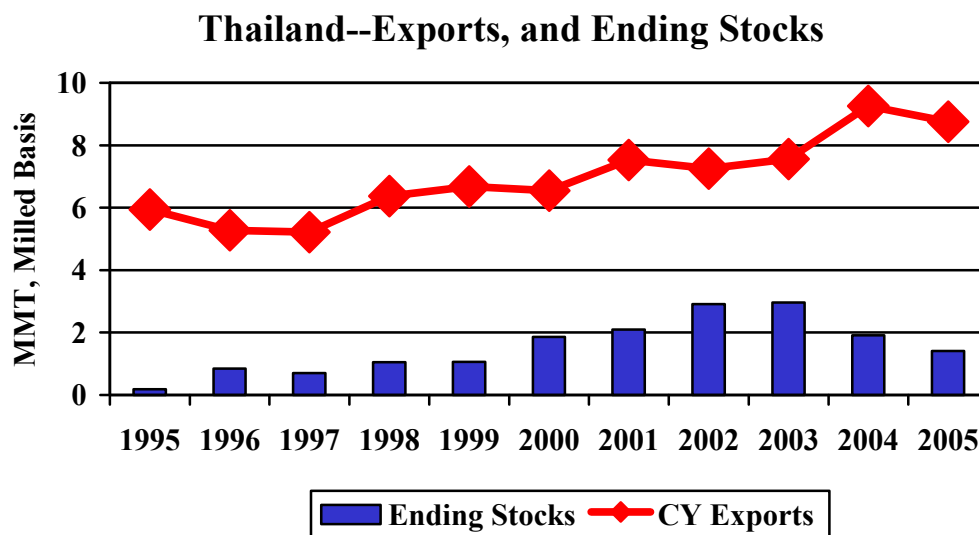
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## RICE: WORLD MARKETS AND TRADE

### MONTHLY HIGHLIGHTS:

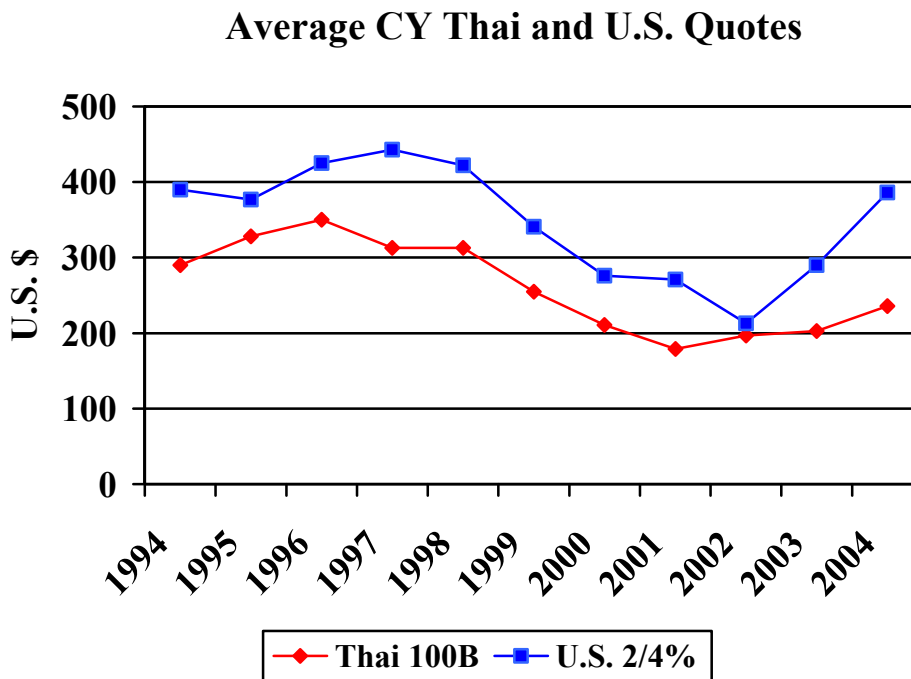
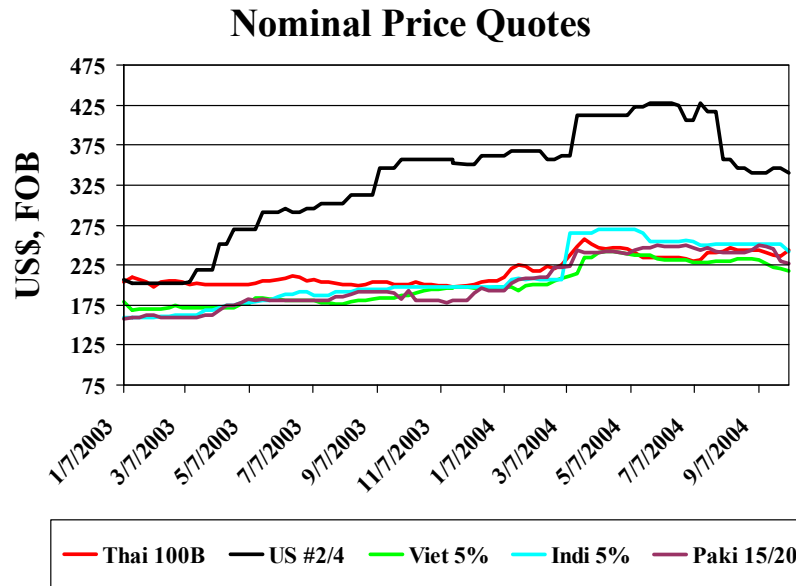
**Where have all the major markets gone? Part Two:** With rising consumption outpacing production growth in Nigeria, imports climbed throughout the late 1990s and peaked at a record 1.0 million tons in 2001. Since then, consumption has slowed against record production, thereby shrinking the need for imports. The government has announced plans to further reduce Nigeria's dependence on imports in the future.

**Record exports expected from Thailand:** In a market with lackluster demand from the traditional key importers, Thailand is expected to export a record 9.25 million tons in CY (Calendar Year) 2004. With diminished exportable supplies in China and India and government-managed exports in Vietnam, Thailand has been able to pick up markets normally supplied by its main competitors. The major gains have been seen in Africa and the Middle East for both regular and parboiled rice. With this, Thailand is forecast to exceed its previous record export level--achieved in CY 2003--by nearly 20 percent. Outstanding export performance, reduced supplies from other major players, and relatively little demand from the key importers have kept prices from rising.



### PRICES:

**International:** Asian prices are currently moving in opposite directions. Thai 100B prices, after dropping for most of the month of September, have ticked back up with quotes currently at \$243 per ton, FOB, down \$1 from last month. Higher government intervention prices, which are above market prices, are providing some support. Prices in Vietnam, however, have trended downward, dropping \$13 from last month. Viet 5% is currently quoted at \$218 per ton, FOB. Prices have dropped in an effort to attract business after the raising of the export target by the government. Indian 5% is currently quoted at \$242 per ton, FOB, down \$10 from last month.



**Domestic:** U.S. #2/4 long grain milled rice is currently quoted at \$340 per ton, FOB, flat from last month despite a record crop forecast. Thus, the spread between U.S. and Thai prices continues to hover around \$100 per ton. Prices for U.S. #1/4 medium grain milled rice from California are not being quoted as the harvest is in its early stages.

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## **TRADE CHANGES IN 2005**

### **Selected Exporters**

- **Australia** is cut 50,000 tons to 300,000 based on smaller production, which is expected to limit the recovery of exports.
- **Thailand** is up 250,000 tons to 8.75 million, as it is likely to maintain the markets gained from China and India in 2004.
- **United States** down 50,000 tons to 3.35 million, due to the slower than expected sales pace and a lack of substantial import demand from traditional markets in the Western Hemisphere.

### **Selected Importers**

- **Brazil** is boosted 200,000 tons to 700,000 with a downward revision in production expected to increase import demand.
- **Peru** is reduced 30,000 tons to 70,000 based on expectations of a slower import pace, continuing from 2004.
- **Turkey** is cut 50,000 tons to 250,000 based on a bumper crop and a continuation of restrictive import policies.

## **TRADE CHANGES IN 2004**

### **Selected Exporters**

- **Australia** is revised down 25,000 tons to 275,000 based on a slower than expected pace to date.
- **Thailand** boosted 250,000 tons to a record 9.25 million as a result of strong exports and shipments continuing through the end of the year.
- With the relaxing of the government export restrictions, **Vietnam** is raised 100,000 tons to 3.85 million.

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### Selected Importers

- Despite a bumper crop, **Brazil** is increased 200,000 tons to 700,000 based on heavy shipments from Uruguay and Argentina.
- **Dominican Republic** is cut 25,000 tons to 125,000—still a record—based on pace to date.
- **Malaysia** is up 50,000 tons to 700,000 based on heavy imports from Thailand and Vietnam.
- **Peru** is cut 70,000 tons to 80,000 as shipments from Uruguay have been weaker than previously anticipated.
- **Philippines** is raised 100,000 tons to 1.1 million to account for stepped-up purchases from the United States and Vietnam.
- **Saudi Arabia** is up 100,000 tons to 1.3 million as a result of heavy parboiled shipments from India.

**Note:** Series revisions have been made to select African countries, including Angola, Benin, Guinea-Bissau, Madagascar, Mauritania, Mozambique and Togo.